

GOVERNMENT OF TELANGANA
ABSTRACT

Tribal Welfare Department - Approval of newly sanctioned Scheme namely, Chief Minister Scheduled Tribe Entrepreneurship & Innovation Scheme to be implemented from the year 2017-2018 onwards with sublime objectives for promoting industrialization and entrepreneurship among Schedule Tribes(STs) sections of the Society at primary level and economic growth of the State at larger level through financial inclusion of the underserved sections - Order - Issued.

TRIBAL WELFARE(LTR) DEPARTMENT

G.O.Ms.No. 51

Dated:01-09-2017,
Read:

Proposals received from the Commissioner of Tribal Welfare/the Ex.
Officio MD, TRICOR, TS, Hyderabad, Dated: 30-08-2017.

ORDER:

In the reference read above, the Commissioner of Tribal Welfare/the Ex. Officio Managing Director, TRICOR, TS, Hyderabad has submitted necessary proposal for newly sanctioned scheme namely, Chief Minister Scheduled Tribe Entrepreneurship & Innovation Scheme, to be implemented from the year 2017-18 onwards with sublime objectives for promoting industrialization and entrepreneurship among Schedule Tribes(STs) sections of the Society at primary level and economic growth of the State at larger level through financial inclusion of the underserved section.

2. The said proposal has been examined and found feasible and viable for the benefit of ST entrepreneurs.
3. The details of the Scheme are discussed below:

CHIEF MINISTER ST ENTREPRENEURSHIP & INNOVATION SCHEME

I. PREAMBLE

Development of the rural economy has been one of the prime concerns for Government of Telangana. Accordingly, efforts have been made on a continuous basis for improving the economic and social well-being of people in rural areas on a sustainable basis. Despite the sincere efforts, the problems of poverty, unemployment, drudgery and migration still exist in rural economy. There is a need to address these problems by creating employment opportunities in the rural areas and this could be done by setting up of small & medium scale enterprises in the sectors like Agri, Agri-based, Manufacturing & Service sectors. There is ample scope for innovation, value addition and entrepreneurship development in this sectors. This is possible only by skill up-gradation, handholding, mentoring, incubation and credit support aimed especially at tribal youth and women providing them employment opportunities

Science, Technology and Innovation (STI) have emerged as the major drivers of National Development globally. India has declared 2010-20 as the “Decade of Innovation”. The Government of India has stressed the need to enunciate a policy to synergize science, technology and innovation. In 2013, Government of India came up with Science, Technology & Innovation Policy, in order to create robust innovation culture and ecosystem. The Government of India proposes to increase the expenditure in Innovation R & D to 2% of the GDP. For the development of the Innovation culture in the country, the policy envisages creation of Conducive eco-system for the venture capital in the MSME sector.

In consonance with the Telangana State vision for promoting industrialization and entrepreneurship among schedule tribe (ST) section of the society at primary the

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underserved sections. The envisioned outcome of this effort is firmly grounded to a platform that empowers tribal youth of the State with technical competency and business skills that lead to create a sustainable model of entrepreneurship.

Community development happens through economic empowerment. Economic progress happens through entrepreneurship. Entrepreneurship is essential for Tribal Empowerment.

II. TRIBAL ENTREPRENEUR - Challenges & Limitations

- Facing difficulty in accessing financial assistance.
- Lack of awareness and knowledge about policies, technologies, Management and forward & backward linkages.
- Limited capabilities to create and capture value as per market competition.
- Limited livelihood opportunities beyond traditional choices.

III. OBJECTIVES

The main objectives of the scheme are:

1. To promote entrepreneurship culture among Scheduled Tribes.
2. To nurture tribal youth to be employment providers through enterprise development.
3. To create new jobs and reduce unemployment.
4. Grassroots economic development at District level.
5. To facilitate innovative business solution for un-met social needs.
6. To create incubation center, which shall be responsible for providing end to end business support eco system for tribal entrepreneurs on a continuous basis.

IV. RATIONALE

It is an unfortunate reality that a very minuscule proportion of existing industrial units are owned by ST entrepreneurs. There are a number of structural barriers which the ST entrepreneurs find extremely difficult to overcome. Since the foundation of the new state of Telangana is based on the premise of social justice, the Tribal Welfare Department has conceptualized a new scheme with the nomenclature "CM ST Entrepreneurship & Innovation Scheme" to promote entrepreneurship culture among the STs.

V. FOCUS AREAS

1. Life Sciences—including, bulk drugs, formulations, vaccines, nutraceuticals, biological, incubation centers, R & D facilities and medical equipment.

Hyderabad is the bulk drug and vaccine capital of the country. However, in the past 8-10 years the sector has stagnated. While the leadership in formulations and bulk drugs has to be maintained, new opportunities like life-saving drugs, new vaccines and biological have emerged. There is an urgent need to encourage this sector, especially in the emerging life sciences areas.

2. IT Hardware including bio-medical devices, electronics, cellular communications, FAB

Telangana has a robust IT Software sector which will complement IT Hardware. The Government of India has approved and IT Investment Region for Hyderabad as well as two Electronic Manufacturing Clusters. The large health industry in Telangana will support bio-medical devices and medical electronics.

3. Precision engineering, including aviation, aerospace, defence

Hyderabad is home to a large number of defence aero-space and defence research laboratories like DRDO, DRDL, RCI, BDL, MDN, Ordnance Factory, DMRL etc. In addition to the 5 large Tata investments in aero-space, there is also the GMR MRO. A group of innovative aero-space SMEs also exist in Hyderabad which has supplied components to the Chandrayan and Mangalyan initiatives. GOI has also announced 49% FDI in defence sector creating huge investment opportunities.

4. Food processing and nutrition products including dairy, poultry, meat and fisheries

Telangana is a large producer of agro-products like cereals, pulses, oilseeds, fruits and spices. It is also the market leader in the poultry and seed business. There is potential expand into greenhouse and exotic vegetable cultivation. To add value to agro-products and to maintain and expand the existing strengths as well as to partner with the national Food Processing Mission, there is a need to encourage this sector.

5. Automobiles, Transport Vehicles, Auto-components, Tractors and Farm Equipment

The automobile industry is an important sector for any State. The upstream and downstream supplier opportunities will boost the engineering SME sector also. The M&M tractor plant in Telangana and the auto-component SMEs will be the anchor around which the future growth and investments in the automobile sector will emerge.

6. Textiles and Apparel, Leather and leather value added products like shoes, purses, bags, artificial material infused and coated textiles, paper and paper products

Telangana State is a large producer of long staple cotton. It also is one of the largest producers of raw hide. However, value added production is not there within the State and raw material is exported from the State. The State has a strong base of paper industry. There is tremendous potential for paper and paper products industry in the state due to the growing demand for such products.

7. Plastics and Polymers, Chemicals and Petro-chemical, glass and ceramics

The former combined State of Andhra Pradesh had a PCPIR sanctioned by the Gol. This has gone to the residual State. Plastics, polymers and downstream petro-chemical industry are predominantly in the MSME sector with huge employment potential. The products of this sector are consumed on a daily basis all over the country. This sector is critical for a large number of MSMEs

8. FMCG and Domestic Appliances

The growth rates of the Fast Moving Consumer Goods and Domestic Appliances sector has been phenomenal, even when the country's economy was slow. Telangana is centrally located in India and for the FMCG and Domestic appliances sectors, transportation costs are very critical. It is important to take advantage of the locational advantage of the state especially for this sector.

9. Engineering and Capital Goods, including castings, foundry and Ferro-alloys and other metallurgical industries

This sector is very important if the State has to capture the entire value chain of the automobile, aero-space, petro-chemicals, domestic appliances, and paper and textile sectors. The thrust areas in this section will provide the supply chain to the other thrust area sectors.

10. Gems and Jewellery

Hyderabadi pearls and lacquer bangles made by local artisans are known all over the world. Value-addition to these traditional products and diversification into other gems and jewellery items will provide the much needed relief to local artisans and craftsmen.

11. Waste Management and Green Technologies

This is the sector that will become mandatory for all industry. Green initiatives can be shown to be profitable. The Telangana State has functional models of SPV/JV efforts of waste management. This sector has tremendous growth potential.

12. Renewable Energy and Solar Parks

This sector is a priority all over the world. The State of Telangana has large extents of land eminently suitable for non-conventional and renewable energy installations

13. Mineral-based and wood-based Industries

Much of the minor mineral wealth of the State like granite, quartz and silica-sand is exported in raw form with minimal processing within the State. Similarly, bamboo and other MDF-suitable plant material also need to be exploited so that sustainable incomes are generated and the regular the forests trees can be saved.

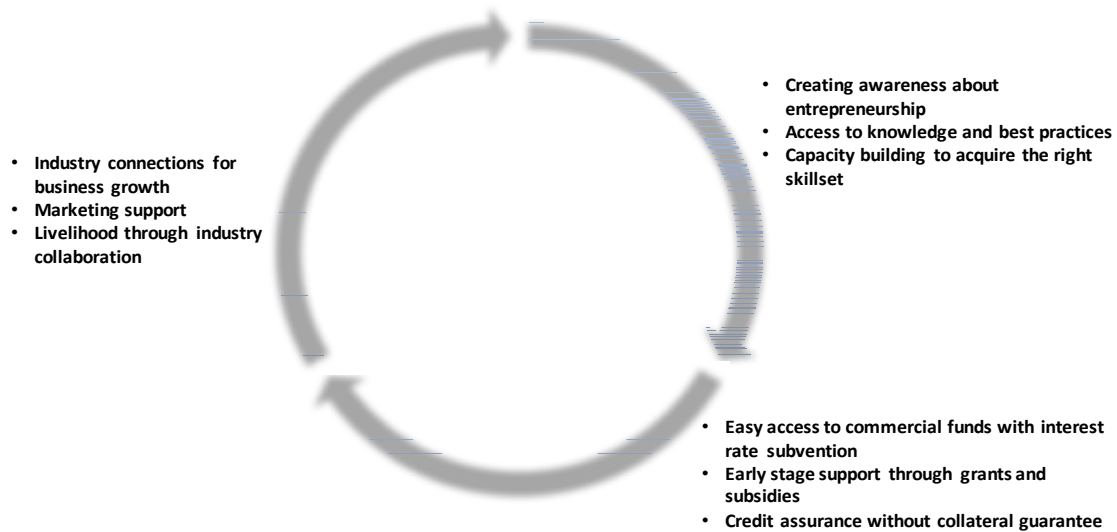
14. Transportation/Logistic Hub/Inland Port/Container Depot

The State of Telangana is land-locked; yet it hopes to become a major destination for international investors. In addition it is centrally located and has the potential to become a major transit and logistic hub.

Each of the above thrust areas will have its own sectoral policy and a structure of incentives. High level advisory panels with private sector and academia experts will be constituted for each of the sectors. An inter-departmental task force for each sector chaired by Special Chief Secretary/Principal Secretary of Industries and Commerce Department will also be in place to achieve the required coordination. Frequent thrust area sector-centric investor meets will be organized to showcase the advantages the State of Telangana offers for that sector. Thrust area sector-centric industrial parks with well-developed infrastructure required for that particular sector will be developed at appropriate locations in the state.

15. Any other potential sector.

VI. APPROACH



TELANGANA INCUBATION CENTER FOR TRIBAL ENTREPRENEURS (TICTE):

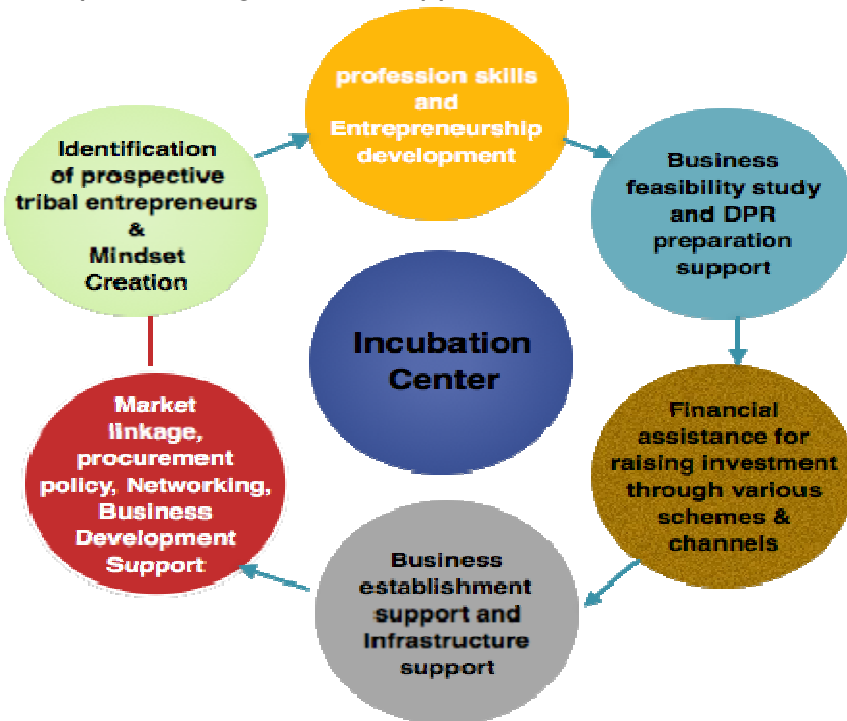
To support start-ups and promote existing tribal entrepreneurs an institutional approach in the form of Incubation Center is needed.

The Incubation Center would fill the gaps in entrepreneurship development through:

1. Being a single point of contact (SPOC) for all enquires related to tribal entrepreneurship in the state.
2. Creating awareness on various schemes on financial support, subsidy support, interest subvention, land allocation, etc available for tribal entrepreneurs from central and state governments.
3. Creating awareness on government policies (such as public procurement policy, respective state industrial policies, incentive schemes etc.)
4. Creating awareness on various marketing support schemes available for tribal entrepreneurs from state and central governments.
5. Providing guidance on the possible business activities that can suit the skill set of the respective tribal entrepreneurs.
6. Providing Mentorship and networking for better understanding of markets, technology, trade etc.
7. Technical assistance for business plan creation and feasibility analysis.
8. Capacity building through skill development.
9. Facilitating to access the financial assistance (Predominantly through Mudra, NSTFDC and Stand up India schemes available exclusively for tribal entrepreneurs).
10. Providing infrastructure and other amenities.
11. Market linkage - Identify the right customers for the respective line of business and connect the entrepreneur.

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12. Explore strong franchise opportunities and connect the entrepreneurs.



SETTING UP OF TELANGANA INCUBATION CENTER FOR TRIBAL ENTREPRENEURS (TICTE):

- The services of Telangana Incubation Center for Tribal Entrepreneurs (TICTE) will be outsourced to reputed institutions like IITs/ISB/other Entrepreneurship Development Institutes (EDIs), IPOs of Industries Department etc., for a period of 18 months to 24 months or till the need ceases whichever is earlier.
- The TICTE comprises experts in Skilling, Banking, Marketing, Manufacturing and Financial Management.
- The agency for setting up & running of TICTE on need basis will be selected by adopting a contemplated procedure Viz., calling Expression of Interest (Eoi), Technical Bidding & Financial Bidding and Empanelment.
- The cost of TICTE will be met from the administrative cost of CM ST Entrepreneurship & Innovation Scheme i.e., 1 % of the scheme budget.
- The TICTE shall submit timely progress reports to the Commissioner of Tribal Welfare/Ex - Officio Managing Director, TRICOR on regular intervals.

VII. PROCEDURE

The applications/proposals for seeking the financial assistance under the scheme shall be submitted to the Tribal Welfare Department through online at www.obmms.cgg.gov.in along with Detailed Project Report (DPR).

- The team of officials will conduct field inspection cum verification with prior intimation to the entrepreneurs.

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- The scrutiny/verification/technical committee is constituted for scrutinizing and recommending the online applications on evolution of viability & feasibility. The scrutiny committee consists of the following officials:

1	Commissioner of Tribal Welfare/Ex-Officio Managing Director, TRICOR	Chairman
2	Additional Director, Industries Dept.	Member
3	Managing Director, Telangana State Industrial Infrastructure Corporation (TSIIC) or his nominee	Member
4	Convener, State Level Banker Committee or his nominee	Member
5	Representative from Confederation of Indian Industry (preferably Tribal Entrepreneur)	Invitee
6	President, Dalit Indian Chambers of Commerce and Industry (DICCI) or his nominee	Invitee
7	President, Association of Lady Entrepreneurs of India or her nominee	Invitee
8	Dy.General Manager, TRICOR	Member Convenor

- After receipt of field inspection report, the Member Convenor of the scrutiny & verification committee will prepare the appraisal note for each case in the prescribed format for placing before the State Level High Powered Committee for its approval.
- The Scrutiny-cum-Verification Committees will meet as often as required, but not less than once in a month. The Member Convenor of Scrutiny Committee will arrange to record the minutes of each meeting, get them duly approved by the Commissioner of Tribal Welfare/Ex-Officio Managing Director, TRICOR and will be placed before State Level High Powered Monitoring Committee.
- TICTE will analyze the proposals/applications received from the scrutiny committee in terms of feasibility & viability of the project duly assessing the attitude, skills, knowledge and expertise of entrepreneur.
- TICTE will assist the Scheduled Tribe entrepreneurs in preparation of business plan and feasibility analysis wherever required.
- After receipt of Scrutiny-cum-Verification-cum-technical committee recommendations, the Member-Convenor of State Level High Powered Committee will prepare the agenda note for placing before State Level High Powered Monitoring Committee for taking decision, duly furnishing the remarks of the TICTE.
- State Level High Powered Monitoring Committee would be formed with Principal Secretary/Secretary to Government, Tribal Welfare as Chairman. This Committee would provide guidance, review and monitor the work being done by the Tribal Welfare Department for Scheduled Tribes entrepreneurship development. The Committee would have the

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following members:

1	Principal Secretary/Secretary to Govt., TWD	Chairman
2	Commissioner , Industries Dept.,	Member
3	Managing Director, Telangana State Industrial Infrastructure Corporation (TSIIC)	Member
4	Director General , NiMSME or his nominee	Member
5	Convener, State Level Banker Committee or his nominee`	Member
6	President, Dalit Indian Chambers of Commerce & Industry (DICC) or his nominee	Special Invitee
7	President, Association of Lady Entrepreneurs of India (ALEAP)	Special Invitee
8	Representative of National Small Industries Corporation (NSIC)	Member
9	Representative from Confederation of Indian Industry (preferably tribal entrepreneur)	Special Invitee
10	Representative from Academia (Preferably from reputed business school)	Special Invitee
11	Representative of the TICTE	Special Invitee
12	Commissioner of Tribal Welfare/Ex-Officio Managing Director, TRICOR.	Member Convener

- State Level High Powered Committee is constituted for sanction/rejection of the proposals/applications.
- The State Level High Powered Committee shall have 50% of its members as quorum for convening a meeting once in a month.
- The decisions of the State Level High Powered Committee shall be final in scrutinizing, deciding the eligible investment, sanctioning the subsidy. It can also review the decisions where ever is necessary.
- In case of any doubt/ambiguity on any issue or item covered by these guidelines for implementing the scheme, the decision/interpretation of State Level High Powered Committee is final and binding on all concerned.
- State Level High Powered Committee will review the working of the scheme and release of funds.

A High Powered Committee is constituted with participation from industry associations, incubators, mentors and other experts to monitor and guide the Scheduled Tribe Entrepreneurs. The major functions of the Committee:

1. Capacity building among prospective ST entrepreneurs through TICTE.
2. Vendor Development involving National Small Industries Corporation (NSIC), National Institute for Micro, Small and Medium Enterprises (NiMSME) and industry associations including DICC.
3. Promoting participation of Scheduled Tribes entrepreneurs in exhibitions and organizing special exhibitions for this purpose.
4. Mentoring and hand-holding support to ST entrepreneurs involving industrialists, industry associations and other bodies for mentoring on the similar lines of National Scheduled Castes/Scheduled Tribes Hub. This mentoring would involve support in marketing, quality improvement etc.

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5. Working with other organizations/Departments for Scheduled Tribe entrepreneurs so that these enterprises can benefit from all of them. Tribal Welfare and other Government organizations/Department shall continue to work in their existing areas of activities for development of ST entrepreneurs.
6. Facilitating Scheduled Tribe entrepreneurs participating in public procurement, e-platform of DGS & D and monitoring the progress.
7. Facilitating credit linkages for Scheduled Tribe entrepreneurs.
8. The State Level High Powered Monitoring Committee could include any other functions for the development of ST entrepreneurs.

WORK TO BE ATTENDED BY THE MEMBER CONVENOR OF THE STATE LEVEL HIGH POWERED COMMITTEE

Convening the State Level High Powered Committee (SLHPC) meeting once in a month, drawing up the minutes of the meetings and communicating these to the members with the approval of the Chairperson.

1. Disbursement of funds to the Enterprises/Industries sanctioned observing the chronological order of sanctions within the set pattern and norms approved by SLHPC, if necessary.
2. Arranging maintenance of records of sanctions/ disbursements in the manner prescribed. The subsidy sanction register should be in the form prescribed.
3. Organizing EDP training to the beneficiaries sanctioned schemes through TICTE in reputed Government Entrepreneurial Development Training Institutes like NiMSME, NSIC etc.,
4. Monitoring effective implementation of the scheme.

FUNDING PATTERN

- Subsidy - 35% on the unit cost subject to maximum of Rs.50,00,000/-.
- Additional 5% subsidy for the enterprises set up in scheduled area, i.e., 40%, on the unit cost, subject to maximum of Rs.50,00,000/-.
- Additional 10% subsidy for Scheduled Tribe women entrepreneurs i.e., 45% on the unit cost, subject to maximum of Rs.50,00,000/-.
- 10% of the unit cost shall be borne by the beneficiary as a beneficiary contribution.
- Remaining loan from the financial institutions.

ELIGIBILITY CRITERIA

- The prospective entrepreneur who is having innovative ideas shall be given preference.
- Highly qualified technocrats will be considered.
- Entrepreneur is having thorough knowledge & experience in the proposed activity.
- New startup entrepreneurs will be encouraged.
- All communities among Scheduled Tribes shall be given equal priority and some reservation criteria will be ensured for different Scheduled Tribe categories.

SPECIAL ASSISTANCE TO TRIBAL WOMEN ENTREPRENEURS

- The number of existing women-owned industrial enterprises is very meagre. The Tribal Welfare Department is inclined to encourage women entrepreneurs in a big way i.e., at least 33% women coverage.

Organizations working for women entrepreneurs like COWE, ALEAP and FICCI-FLO will be invited to partner with the Department to identify and train women entrepreneurs, get their project proposals developed, link them to financial institutions and handhold and monitor the progress of their projects.

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PROCEDURE FOR DISBURSEMENT OF SUBSIDY

- After the sanction of subsidy by State Level High Powered Committee, the Commissioner of Tribal Welfare/Ex-Officio Managing Director, TRICOR shall communicate the sanction to the individual beneficiary through intimation letters in the form prescribed, to the individual within a week time and the list will be displayed immediately in the notice board and department web-site.
- The Commissioner of Tribal Welfare/Ex - Officio Managing Director , TRICOR shall arrange (7) days EDP training to all the beneficiaries sanctioned units/scheme under CM ST Entrepreneurship and Innovation Scheme through Telangana Incubation Center for Tribal Entrepreneurs (TICTE).
- The Commissioner of Tribal Welfare/ Ex - Officio Managing Director, TRICOR shall release the subsidy amount to the individual Enterprises Account through RTGS/NEFT (in whose favour consent letter was given by the banker) and send the same to the respective bank branch directly to ground the unit under intimation to the beneficiary and District Officer concerned, immediately after the end of EDP training without fail.
- TICTE shall obtain the Utilization Certificate (UC) from the banker concerned along with unit grounded photograph of the unit and to upload in the OBMMS web-portal.
- TICTE shall facilitate the beneficiary in setting up unit and document the details of unit/activity established.
- TICTE shall support the beneficiaries in respect of arranging marketing linkages and other technical aspects for a period of (6) months from the date of release of subsidy.
- TICTE shall prepare and submit the success stories of each beneficiary to the Commissioner of Tribal Welfare/Ex-Officio Managing Director, TRICOR.
- The detailed progress report shall be submitted by the Commissioner of Tribal Welfare/Ex-Officio Managing Director, TRICOR to the Secretary to Government of Tribal Welfare Department every 3 months or whenever required.

4. Government after careful examination of the proposal of the Commissioner of Tribal Welfare/the Ex. Officio Managing Director, TRICOR , TS, Hyderabad hereby approves for implementation of a newly sanctioned scheme namely, Chief Minister Scheduled Tribe Entrepreneurship & Innovation Scheme, to be implemented from the year 2017-18 onwards with sublime objectives for promoting industrialization and entrepreneurship among Schedule Tribes(STs) sections of the Society at primary level and economic growth of the State at larger level through financial inclusion of the underserved sections.

5. The Commissioner of Tribal Welfare/the Ex. Officio MD, TRICOR , TS, Hyderabad shall take necessary action accordingly for implementation of newly sanctioned scheme.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

BENHUR MAHESH DUTT EKKA,
SECRETARY TO GOVERNMENT.

To
The Commissioner of Tribal Welfare/
the Ex. Officio MD, TRICOR , TS, Hyderabad.

Copy to:

All District Collectors in the State.
All Project Officers, ITDAs in the State.
All District Tribal Development Officers in the State.
The Commissioner , Industries Dept.TS, Hyderabad.

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The Managing Director, Telangana State Industrial Infrastructure Corporation (TSIIC),
Hyderabad

The Convener, State Level Banker Committee, Hyderabad

Confederation of Indian Industry (preferably Tribal Entrepreneur), Hyderabad.

President, Dalit Indian Chambers of Commerce and Industry (DICC), Hyderabad

President, Association of Lady Entrepreneurs of India, Hyderabad-73.

The Deputy General Manager, TRICOR, Hyderabad.

The Finance(STSDF)Department.

The Industries Department.

The PS to the Special Secretary to C.M.(BR).

The PS to the CS.

PS to Minister(TW)

PS to Secretary to Govt.(TW).

SF/SC.

// FORWARDED:: BY ORDER //

SECTION OFFICER.